

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

Meihua Yan,

Plaintiff,

v.

The Individuals, Partnerships and
Unincorporated Associations Identified on
Schedule A,

Defendants.

Case No. 1:24-cv-05403

Honorable Sara L. Ellis

DECLARATION OF CHUNHE QIU

I, Chunhe Qiu, hereby declare as follows:

1. I am over the age of 18 and fully competent to make this declaration. I have personal knowledge of the matters stated within this declaration. If called and sworn as a witness, I could and would testify as set forth below.

2. I am employed by *WenzhouFuruisi Jiancaiyouxiangongsi* (the "COMPANY"), where I hold the position of Chief Executive Officer. I have worked at the COMPANY since July 2017.

3. I am authorized to speak on behalf of the COMPANY with respect to this litigation.

4. The COMPANY operates the store named FORIOUS-USA (seller ID: A3UB46L7YYUHS1) on Amazon, where it sells faucet products.

5. I am told that the plaintiff in this lawsuit has asserted a design patent infringement complaint against multiple defendants, including the Amazon store identified above ("COMPANY defendant").

6. I am told that six ASINs of the COMPANY defendant are accused, specifically including B0C6LR8JNP, B0C6LNYNYQ, and B0C6LQKTS5, which are waterfall type faucet products ("Accused Waterfall ASINs"), and B0CJFHXYST, B0CJFHW5H, and B0CJFG5W4B, which are standard type faucet products ("Accused Standard ASINs").

7. The Accused Waterfall ASINs were first listed on September 20, 2023, and the Accused Standard ASINs were first listed on May 29, 2023.

8. Amazon delisted all six accused ASINs on July 11, 2024 in response to a TRO entered in this litigation.

9. Between July 1 and July 10, 2024, sales for these accused six ASINs totaled \$58,826.00. The gross profit from those sales amounts to \$1,471.00 per day.

10. Based on our operational experience on Amazon, during Prime Days (July 16 and 17), COMPANY defendant expected to sell 5-10 times more product per day (for each of the two sale days) than it typically sells.

11. During the TRO period (from the date Amazon delisted the accused ASINs on July 11 to the preliminary injunction ruling date of September 18), COMPANY defendant expects to lose between about \$460,000 and \$520,000 in sales revenue and between \$115,000 and 130,000 in gross profits, assuming that its Prime Days sales are between 5 at 10 times its typical daily sales volume.

12. The TRO is damaging the COMPANY far beyond lost sales alone.

13. The de-listed products are losing their Amazon ranking as demand for the COMPANY defendant products shifts to the plaintiff and other sellers during the TRO period.

14. Since Amazon delisted the Accused Standard ASINs, their ranking has dropped from 27 to 217. Likewise, the Accused Waterfall ASINs have fallen from 77 to 652.

15. As all Amazon sellers know, Amazon ranking is very valuable and has a significant effect on sales.

16. Based on our operational experience on Amazon, the longer the product is delisted, the more its ranking drops and the more the demand for that product shifts to competitors, increasing their product rankings.

17. Even with significant investment spent re-promoting the product, a relisted product may never return to its original ranking and the loss becomes irreparable.

18. The accused six ASINs sales account for 9.8% of the sales that make up the COMPANY defendant's Amazon account.

19. Anyone who visits the COMPANY defendant's Amazon storefront would see that the COMPANY sells many products other than the accused six ASINs and would understand that freezing the COMPANY's Amazon account would cause economic harms that extend far beyond the accused products in this litigation.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on: 7.14.2024 By: Chunhe Qiu
Chunhe Qiu